

[7 August, 2001]

RAJYA SABHA

CD Delegation to USA

1709. SHRI NANA DESHMUKH: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that there has been decline in the Indo-US trade, witnessed in the first quarter of the current fiscal year.

(b) whether it is also a fact that a high level delegation for strengthening Indo-US economic co-operation led by the President, CII, had gone to US in the first week of June 2001;

(c) if so, what were the points discussed; and

(d) what has been the outcome?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI DIG VIJAY SINGH): (a) Indo-US Trade data (provisional) for the period April-May, 2001-02 is given below. There is decline in both export and import during this period in comparison to corresponding period of previous year. However, it is too early to project the trend as the current financial year has just begun.

(In Rs. Crores)

Period	Exports	Imports	Bilateral Trade
April-May 2000-01	668324	200734	869038
April-May 2001-02	5690.35	1939.70	7630.05

(b) to (d) Yes, Sir. CII delegation had gone to the US from June 5—8, 2001 to build a bridge between Indian industry and the new US administration to help strengthen Indo-US economic relations further. The delegation met several key officials of the US Administration, multilateral agencies and US industry and discussed latest initiatives taken by the Indian's Government to pursue economic reforms, emerging opportunities and areas of cooperation between the two countries. During meetings with US agencies, India's progress with its reforms programme was highly appreciated and they looked forward to this process gaining momentum. They highlighted their continued commitment towards India to increase bilateral trade and investment.

Decline in industrial growth

1710. SHRI RUMANDLA RAMACHANDRAIAH: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the core sector continued to register flat growth in the new fiscal with six infrastructure industries reporting a mere 1.1 per cent growth in April, this year.

(b) if so, whether the growth rate was 7.4 per cent in April, 2000;

(c) whether the Department of Industry has attributed the shortfall in refinery output to lower and delayed supply of crude to some refineries;

(d) if so, the reasons for decline in core sector growth which has suffered a serious steep decline; and

(e) the details of steps Government propose to take in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN): (a) and (b) Yes, Sir. The six infrastructure industries have registered a growth rate of 1.1 per cent during April 2001 as compared to 7.4 per cent during April 2000.

(c) Yes, Sir. One of the reasons for the shortfall in production of Petroleum Refinery products during April 2001 was less supply of crude to NRL, Numaligarh and the delayed arrival of crude in MRPL, Mangalore refinery.

(d) The decline in core sector growth is attributed mainly to lack of demand in Finished steel, Cement, and Petroleum Refinery products; shortfall in creating new capacities in Electricity, Coal and Crude oil sectors; and lack of private investment in infrastructure sector.

(e) The following measures have been initiated to improve the infrastructure sector:

- Rural Electrification Corporation (REC) has been allowed to float capital gains tax exemption bonds.
- The budgetary provisions under Accelerated Power Development Programme (APDP) have been enhanced for the year 2001-02 towards:
(1) Renovation and modernisation / life extension of existing power stations, (2) Upgradation of transmission and distribution networking including energy accounting and metering.
- The Government has signed MoU with six States, other States will follow, to reform SEBs and initiated steps which include time bound programme for installation of 100% metering by December 2001, energy audit at all levels, specific programmes for reduction and eventual elimination of power theft.
- Government is providing infrastructure support to cement industry to maximize cement production. Rail wagons are provided to cement plants on priority basis to supply cement to deficit areas.
- Customs duty on cement and clinker reduced from 35% to 25%.
- Tax holiday for infrastructure development. In case of ports, airports, inland ports and waterways, industrial parks, generation and distribution

of power, tax holiday of ten years has been announced in the Union Budget 2001-02. Five-year tax holiday for the telecommunication sector has been extended till March 2003.

- A National Highway Development Project (NHDP), with a total length of 13252 kms. (consisting of Golden Quadrilateral and an additional North-South Corridor connecting Kashmir to Kanyakumari and an East-West Corridor linking Silchar to Saurashtra), has been finalized to ease congestion and improve the riding quality of the country's major NH corridors.
- A dedicated fund from cess on petrol and diesel has been created for road building.

Complaints filed against India at WTO

† 1711. DR. MAHESH CHANDRA SHARMA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) the number of complaints filed against India at WTO;
- (b) the countries which filed these complaints alongwith the subjects of these complaints;
- (c) the complaints in which decisions went against India; and
- (d) the amount spent by India in this legal battle?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI DIGVIJAY SINGH): (a) So far thirteen complaints have been filed against India in the Dispute Settlement Body of the WTO;

(b) The Countries which filed these complaints alongwith the subjects are: BY US on subjects of Patents; Quantitative Restrictions and Auto Policy; By EC on subjects of Patents; Quantitative Restrictions; Export Measures on Raw Hides and Skins; Import Restrictions; Customs Duties and Auto Policy; By Australia on subject of Quantitative Restrictions; By New Zealand on subject of Quantitative Restrictions; By Canada on subject of Quantitative Restrictions; By Switzerland on subject of Quantitative Restrictions;

(c) Out of these thirteen complaints so far five complaints have gone to the panel / Appellate Body stage. The complaints against our Auto Policy by both EC and the US are presently under examination by a single panel. The three complaints in which the decision went against India are the two separate complaints by EC and US against our Patents Policy and a complaint by the US

† Original notice of the question was received in Hindi.